



Department of Justice

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FROZEN JUICE CAN MANUFACTURERS AGREE TO ABANDON PROPOSED EQUIPMENT SALE

Decision to Abandon Deal Eliminates Justice Department's Competitive Concerns

WASHINGTON, D.C. – The nation's two largest frozen-juice can manufacturers – Sonoco Products Company and Pasco Beverages Company – agreed to abandon their proposed can-making equipment deal after the Department of Justice expressed concerns that the deal could have been anticompetitive, the Department announced today. The Department's Antitrust Division said that Pasco's proposed sale would have given Sonoco control of virtually all of the equipment used to make the spiral-wound composite cans used to package frozen juice concentrate in the United States.

At the same time, the Department said that it has closed its investigation of the proposed transaction. The Department said that the parties' decision to abandon the proposed acquisition eliminated its competitive concerns.

R. Hewitt Pate, Assistant Attorney General in charge of the Antitrust Division said, "The decision of Sonoco and Pasco to abandon the equipment sale will preserve competition for packaging for this important consumer product."

Sonoco and Pasco together produce more than 90 percent of the 750 million composite cans sold each year. Sonoco, with annual sales of over \$2.8 billion, is based in Hartsville, South Carolina, and manufactures a variety of industrial- and consumer-packaging products. Sonoco's

major composite-can plants are in Orlando, Florida, Norwalk, California, Yakima, Washington, and Chicago.

Pasco, located in Dade City, Florida, is the nation's leading producer of private-label, frozen-juice concentrate and a manufacturer of composite cans. Pasco's manufacturing plant can produce up to 1.2 million juice cans per day. Pasco informed the Department that it intends to sell its composite can-making equipment to a buyer or buyers unaffiliated with Sonoco.

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